

**UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK**

UNITED REALTY ADVISORS, LP, et al.,

Plaintiffs,

14-cv-5903 (JGK)

-against-

JUDGMENT

ELI VERSCHLEISER, et al.,

Defendants.

JACOB FRYDMAN, et al.,

Plaintiffs,

14-cv-8084 (JGK)

-against-

JUDGMENT

ELI VERSCHLEISER, et al.,

Defendants.

The above consolidated actions were tried to a verdict before this Court, the Honorable John G. Koeltl, District Judge, presiding, and a jury of ten (10), for a trial commencing on October 24, 2022 and concluding on November 7, 2022, on the remaining claims in the Consolidated Second Amended Complaint dated July 13, 2015, Dkt. 71.¹

¹ All docket references are to the lead action, 14-CV-05903.

The Plaintiffs, Jacob Frydman (“Frydman”), United Realty Advisors, L.P. (“United Realty”), and Prime United Holdings, LLC (“Prime United”) sought damages as follows:

1. Against Defendant Eli Verschleiser (“Verschleiser”), Defendant Multi Capital Group of Companies, LLC (“Multi Group”), and Defendant Ophir Pinhasi (“Pinhasi”)² for violations of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1962(c) (Count I), and for Conspiracy to Violate RICO, 18 U.S.C. § 1962(d) (Count II);
2. Against Verschleiser and Pinhasi for Violation of the Computer Fraud and Abuse Act (“CFAA”), 18 U.S.C. § 1030(a) (Count III); and for Conspiracy to violate the CFAA, 18 U.S.C. § 1030(b) (Count IV); and Violation of the Stored Communications Act, 18 U.S.C. § 2701(a) (Count VII);
3. Against Verschleiser for Violation of the Electronic Communications Privacy Act (“ECPA”), 18 U.S.C. § 2511(1)(a) (Count V), and § 2511(1)(c) (Count VI);

² All other defendants had been dismissed from the action, either prior to or during trial.

4. Against Verschleiser for Libel Per Se (Counts VIII, X), Trade Libel (Count IX); *and Pinhasi*
5. Against Verschleiser for Misappropriation of Trade Secrets (Count XI);
6. Against Verschleiser for Tortious Interference with Contractual Relations (Count XII) and for Tortious Interference with Prospective Contractual Relations (Count XIII);
7. By Frydman against Verschleiser for Intentional Infliction of Emotional Distress (Count XIV);
8. By United Realty and Frydman against Verschleiser for Breach of Contract (Count XV);
9. By United Realty against Verschleiser and Pinhasi for Conversion (Count XX).

Multi Group failed to appear through counsel, and a default was entered as to Multi Group on August 15, 2018 (Dkt. 442, 446, 447, 448). Upon application, a default judgment on liability was entered as to Multi Group, with a determination of damages to be deferred until after trial. (Dkt. 475.)

At the conclusion of the jury trial, the jury returned a verdict in favor of Plaintiffs and against Verschleiser on Counts I (Civil RICO), II (Civil RICO Conspiracy), III (Violation of CFAA); IV (Conspiracy to violate CFAA); ~~V~~

VI (violation of SCA)
~~(Violation of ECPA); VI (violation of ECPA);~~ XI (misappropriation of trade secrets); XII (tortious interference with contractual relations); XIII (tortious interference with prospective contractual relations); XV (breach of contract); and XX (conversion). The Jury returned a verdict for Defendant Verschleiser on **VIII** Counts ~~VII~~, X, and IX (libel per se and trade libel), and Count XIV (intentional infliction of emotional distress). The Jury returned a verdict in favor of Defendant Pinhasi on all counts.

On the Verdict Sheet, the Jury awarded the following damages:

1. RICO: \$1
2. Hacking (CFAA, SCA, ~~ECPA~~): \$33,000.00
3. Misappropriation of trade secrets: \$1,400,000
4. Tortious Interference with existing contractual relations: \$1
5. Tortious Interference with prospective contractual relations: \$1
6. Breach of contract: \$1
7. Conversion: \$1
8. Punitive damages: \$700,000.00

As prevailing plaintiff on the RICO claims, Plaintiffs are entitled to treble damages, 18 U.S.C. § 1964(c), resulting in a damage award of \$3.

As prevailing plaintiff on the RICO claims, Plaintiffs are entitled to recover their attorneys' fees. *See* 18 U.S.C. §1964(c). The amount of the fee award shall

be established by motion pursuant to Fed. R. Civ. P. 54(d)(2), which fees shall become part of the final judgment.

As prevailing plaintiff on the federal hacking claims under the ~~ECPA and SCA~~, Plaintiffs are entitled to recover their attorneys' fees. ~~See 18 U.S.C. § 2520(b)(3)~~, 18 U.S.C. § 2707(c). The amount of the fee award shall be established by motion pursuant to Fed. R. Civ. P. 54(d)(2), which fees shall become part of the final judgment.

On the state law claims for misappropriation of trade secrets, breach of contract, tortious interference, and conversion, Plaintiffs shall recover pre-judgment interest at the rate of 9% per annum pursuant to New York CPLR §§ 5001, 5004, in the amount of \$126,000.36 per year, or \$345.21 per day, from February 10, 2014 until November 7, 2022. Prejudgment interest, therefore, shall be added to the Jury's award in the amount of ~~\$1,101,209.58~~ **\$ 1,101,899.04**

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED, that Plaintiffs shall recover from Verschleiser, and JUDGMENT IS HEREBY ENTERED in favor of Plaintiffs against Verschleiser, the amount of ~~\$3,234,216.58~~ **\$ 3,234,906.04**, consisting of: the Jury's award of \$1,400,004.00 for Plaintiffs' state law claims of misappropriation of trade secrets, breach of contract, tortious interference with existing and prospective contracts, and conversion; pre-judgment interest for 8 years, 270 days at the rate of 9% per annum on Plaintiffs' state law

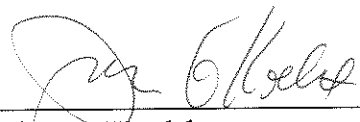
~~\$1,101,209.58~~
\$1,101,899.04
claims, totaling ~~\$1,101,209.58~~; the Jury's award of \$1.00, trebled to \$3.00, for the RICO claims; the Jury's award of \$33,000.00 for the hacking claims; and the Jury's award of \$700,000.00 for punitive damages.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, that Multi Group, having judgment entered by default on liability as to Counts I and II (RICO and RICO Conspiracy), is and shall be jointly and severally liable with Verschleiser in the amount of the Jury's award of \$3 for RICO damages, and for any attorneys' fees made part of the final judgment pursuant to 18 U.S.C. § 1964(c), and JUDGMENT IS HEREBY ENTERED in favor of Plaintiffs and against Multi Group.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, that Plaintiffs shall recover from Defendants post-judgment interest on the judgment, in the amounts above, as provided under 28 U.S.C. § 1961, along with Plaintiffs' taxable costs that are appropriate under Fed. R. Civ. P. 54(d)(1), Local Civil Rule 54.1, and 28 U.S.C. § 1920.

SO ORDERED.

SIGNED this 25 day of November, 2022.



John G. Koeltl
United States District Judge